

North Dakota Department of Insurance

Bulletins

Bulletin 98-1

TO: All Insurance Companies

FROM: Glenn Pomeroy, Commissioner

DATE: May 23, 1998

ATTENTION: Policy, Form and Rate Filing Unit

SUBJECT: Policy, Form and Rate Filing Transmittal Form Effective July 1, 1998

PURPOSE

In order to enhance the timeliness, efficiency and record keeping capabilities of our policy, form and rate filing system, the North Dakota Department of Insurance is implementing two significant changes. First, the Department is implementing a new computerized system for the recording of policy, form and rate filings. Secondly, the Department is fully functional as a participant in the State Electronic Rate and Form Filing System (SERFF).

Contained within this bulletin is a new [filing transmittal form](#) to be used by all companies when submitting a policy, form or rate filing to the Department. The form is designed to capture critical information in such a way that the Department system and the SERFF system are mutually compatible. Also contained in the bulletin are the filing requirements for each general type of filing. Finally, any special state required filing forms unique to certain filings are included as addendums.

SCOPE

The information provided in this bulletin pertains to all licensed companies filing policy, form and rate filings with the Department. The filing transmittal form is to be used on all filings submitted to the Department in paper format. Those companies submitting filings in electronic format via SERFF will find the data fields built into the SERFF system capture the same critical information found on the transmittal form.

FILING TRANSMITTAL FORM

The new [Policy, Form and Rate Filing Transmittal Form ND1000](#) is attached and replaces any previous filing transmittal form. The transmittal form is intended for use with all (other than SERFF) policy, form and rate filing submissions to the Department. The back of the transmittal form contains a list of descriptions and definitions to aid companies in completing the transmittal form. A separate Attachment #1 is included which provides a list of types of insurance (TOI) and sub types of insurance (Sub TOI) to use as a guide in completing those specific entries on the transmittal form.

EFFECTIVE DATE

All companies should begin using the new transmittal form upon receipt of this bulletin. **Effective July 1, 1998 the Department will not accept filings without a properly completed transmittal form**

attached. A noncompliant filing will be returned to the company in its entirety (including any retaliatory fee) at the company's expense and without review by the Department.

GENERAL FILING REQUIREMENTS APPLICABLE TO ALL FILINGS

All filings submitted in a paper format should contain the following:

- A completed North Dakota - [Policy, Form and Rate Filing Transmittal Form ND1000](#). This should be the top document of the filing packet.
- The appropriate retaliatory filing fee. This should be the second item of the filing packet.
- A cover letter with one copy for return to the company.
- A stamped return envelope with which to return the company's copy.
- Addendums and materials as necessary to describe, document and support the filing.

All electronic filings submitted via SERFF should contain the following:

- Addendums, components and materials as necessary to describe, document and support the filing.
- A reference to the check number being sent with the appropriate retaliatory fee. (Note: Immediately upon sending the electronic filing, mail the appropriate retaliatory fee to the Department of Insurance. [SERFF Retaliatory Filing Fee Form ND2000](#) should be attached to the check. The form contains the appropriate identifying information to facilitate receipt and processing.)

In addition to the above general requirements applicable to all filings, there are specific requirements for certain categories of insurance as follows:

PROPERTY AND CASUALTY - POLICY/FORM FILING REQUIREMENTS

The policy/form requirements apply to both paper and electronic formats.

- A complete description of the form to include the purpose of the form, whether the form is new or a revision and whether the form broadens or restricts coverage.
- A list of the forms which includes the company name, form title, number and edition date.
- A description of the impact of any form revision relative to coverage and rate. Side by side comparisons, strikeout mock ups, or detailed narratives are preferred.
- A statement indicating whether any State Amendatory applies to the policy/form and whether one has previously been filed for use with that form.
- A copy of the policy/form (if they are not being filed by reference only), draft or mock up versions are acceptable.

PROPERTY AND CASUALTY - RATE/RULE FILING REQUIREMENTS

The rule requirements apply to both paper and electronic formats.

Rate filings (other than Crop Hail):

- Describe the impact of the filing, include the net effect (percent change), number of policies in the state, and the estimated dollar impact to North Dakota policyholders.
- A summary of the rate history for the previous five years.
- Countrywide, regional (ND, SD, MT, WY, NE, and IA) and statewide loss experience for the previous five years to include written premium, earned premium, incurred losses, loss adjustment expense, and loss ratio.

- Countrywide, regional and statewide expense exhibits for the previous five years.
- A copy of the rate pages (draft copies are acceptable).
- Loss cost, and consent to rate filings must use the appropriate form - see addendums.
- An explanatory memorandum describing the basis for the filing to include such items as appropriate actuarial memorandum, competitive comparison, underwriting assumptions, etc. The memorandum should contain loss development, trending, credibility, permissible loss ratio, indicated rate level, investment income offset, etc.

Crop Hail rate filing:

- Attach [Crop Insurance Rate Filing Form NDPC 200](#) - see addendums.
- A copy of the rate pages (draft copies are acceptable).

Rule filing

- A complete description of the rule to include the purpose of the rule, whether the rule is new or a revision, and a comparison to the previous rule if it is a revision.
- A description of the impact a revised rule has on coverage or rate with appropriate supporting documentation.

PROPERTY AND CASUALTY ADDENDUMS

The addendums are unique filing forms to be used in specific filings. They are:

- [Crop Insurance Rate Filing Form NDPC 200](#) is used for the annual crop hail insurance loss cost/rate filing.
- [Insurer Rate Filing - Adoption of Advisory Loss Cost Form NDPC 300](#) is used for filing company loss cost multipliers to use in conjunction with an advisory organization filed loss cost.
- [Consent to Rate Application Form NDPC 400](#) is used for filing an individual debited rate which exceeds the company's filed manual rate.

LIFE AND HEALTH - POLICY/FORM FILING REQUIREMENTS

The policy/form requirements apply to both paper and electronic formats:

An actuarial memorandum should be included with the filing (if applicable).

- A list of flesch scores and a readability certification should be provided for all forms being filed.
- The filing company is responsible for compliance with specific North Dakota statutory and regulatory requirements. All companies using the SERFF system have direct access to these requirements via the system. Companies filing in paper format can request a hard copy of requirements for specific sub types of insurance (Sub TOI) from the Life and Health Division.
- A reference in the filing cover letter indicating if the filing content is identical to another pending filing for a sister company.

LIFE AND HEALTH - RATE/RULE FILING REQUIREMENTS

The rate/rule requirements apply to both paper and electronic formats:

- An actuarial memorandum is required to explain and justify all rating and underwriting changes.

- A reference in the filing cover letter indicating if the filing content is identical to another pending filing for a sister company.

STATE ELECTRONIC RATE AND FORM FILING SYSTEM

North Dakota is online and operational with the SERFF system. Any company interested in getting online and using the SERFF system to file electronically should contact State/Industry SERFF Consortium, NAIC Controller, 120 West 12th Street, Suite 1100, Kansas City, MO 64105-1925.

PREVIOUS BULLETINS

Effective May 23, 1998, this bulletin supersedes the following Department bulletins:

- Bulletin 87-5 Consent to Rate Guidelines
- Bulletin 88-4 Filing Transmittal Form No. NDPC-100 (6/88)
- Bulletin 88-6 Revision of Filing Transmittal Form

Effective January 1, 1999 this bulletin supersedes the following Department bulletin: Bulletin 97-3 Marketing of Crop Hail Insurance in ND 1998

GP/em